

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

A brief summary of financial proposals filed with and actions by the S.E.C.



Washington 25, D.C.

FOR RELEASE November 17, 1958

Statistical Release No. 1566.

The SEC Index of Stock Prices, based on the closing prices of 265 common stocks for the week ended November 14, 1958, for the composite and by major industry groups compared with the preceding week and with the highs and lows for 1958, is as follows:

	1939 = 100		Percent Change	1958	
	11/14/58	11/7/58		High	Low
Composite	391.1*	385.4	+1.5	391.1	299.0
Manufacturing	491.9*	485.7	+1.3	491.9	373.3
Durable Goods	451.5*	449.0	+0.6	451.5	332.2
Non-Durable Goods	519.7*	510.2	+1.9	519.7	402.2
Transportation	327.7*	319.2	+2.7	327.7	219.7
Utility	191.6*	187.8	+2.0	191.6	155.5
Trade, Finance & Service	362.1*	353.6	+2.4	362.1	263.2
Mining	344.4	343.1	+0.4	347.2	261.3

*New High

STANWAY OIL OFFERING SUSPENDED

The Securities and Exchange Commission has issued an order temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a proposed public offering of stock by Stanway Oil Corporation, of Los Angeles, Cal. The order provides an opportunity for hearing, upon request, on the question whether the suspension should be vacated or made permanent.

In a Regulation A notification filed by Stanway on October 20, 1958, it proposed the public offering of 300,000 shares of common stock at \$1 per share pursuant to the conditional exemption from registration provided by said Regulation. The Commission's suspension order asserts that the notification fails to disclose that Cadillac Oil Company is a predecessor or to include certain required financial statements, and that Stanway's offering circular contains false and misleading statements of material facts and omits to state certain material facts.

It is charged in the Commission's order that Stanway's offering circular fails to disclose the number of its shares owned by each of its officers and directors; the relationship of Cadillac Oil Company and U-Tex Oil Company to Stanway and to Cadillac Oil Company; the identity of H. Sigal and Co. and its relationship to Stanway and its promoters; that Stanway's officers and directors are inexperienced in the operation of a producing oil company; the person or persons from whom certain promoters of Stanway acquired their stock in that company and in Cadillac Oil Company; and, with respect to the Stanway's U. S. government leases, the distance to the nearest commercial natural gas production and its importance, the distance to the nearest commercial natural gas production, the distance to the nearest dry hole of consequential depth. The Commission's order also changes various conclusions reflected in the geological report included in the offering circular.

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For further details, call ST. 3-7600, ext. 5526

GUARANTY LIFE INSURANCE PROPOSES STOCK OFFERING

Guaranty Life Insurance Company of America, 815 15th St., N. W., Washington, D. C., filed a registration statement (File 2-14538) with the SEC on November 14, 1958, seeking registration of 88,740 shares of its Class "A" Common Capital Stock, \$1.80 par value; to be offered for public sale at \$5.35 per share. No underwriting is involved.

The company was recently organized under the laws of the District of Columbia; its charter was filed on October 17, 1958, with the Recorder of Deeds for the District of Columbia. The Superintendent of Insurance on October 16, 1958, issued a permit to the company as a life insurance company "in Course of Organization." It is said to have been organized primarily through the efforts of Harry Merkin, its president and promoter; and he has interested Charles F. Suter and other businessmen to serve as directors. Subscriptions from the organizers resulted in the sale of stock amounting to \$78,941, which will represent about 14% of the total capital funds contributed (assuming sale of the 88,740 shares) and the shares issued to the organizers will represent approximately 52% of the total voting power.

Of the net proceeds of the public sale of stock, aggregating \$474,759, \$159,732 will be credited to the capital stock account and the balance (after payment of organization and promotion expenses) will be added to paid-in surplus account. A portion of the paid-in surplus will be utilized by the company in the early years of its operation to cover the expenses incident to the acquisition of life insurance business, including commissions, the operation of the company's affairs, and the reserves required by law against policies issued.

MILES LABORATORIES PROPOSES DEBENTURE OFFERING

Miles Laboratories, Inc., 1127 Myrtle St., Elkhart, Ind., filed a registration statement (File 2-14539) with the SEC on November 14, 1958, seeking registration of \$6,035,400 of Convertible Subordinated Debentures due 1978. The company proposes to offer the debentures for subscription by its common stockholders in the ratio of \$100 of debentures for each 20 common shares held of record December 4, 1958. The interest rate, subscription price and underwriting terms are to be supplied by amendment. The First Boston Corporation is listed as the principal underwriter.

Approximately \$3,600,000 of the net proceeds from the sale of the debentures will be used to finance the expansion of the company's citric acid manufacturing facilities at Elkhart, scheduled for completion in late 1959. Approximately \$1,400,000 may be used for the contemplated construction and equipping of enlarged research facilities and a pilot plant in Elkhart; The balance of the net proceeds will be added to general funds of the company available for general corporate purposes.

CHAMPION PAPER FILES DEBENTURE INDENTURE

The Champion Paper and Fibre Company, Hamilton, O., filed an application (File 22-2468) with the SEC under the Trust Indenture Act of 1939 on November 13, 1958, seeking qualification of a trust indenture pursuant to which it proposes to issue \$7,407,000 of 3½% Debentures due July 15, 1965. The debentures are considered exempt from registration under the Securities Act of 1933 "inasmuch as Debentures as effected by the proposed amendments to the Indenture dated as of July 15, 1945, will in effect be exchanged by the issuer with the existing Debentureholders exclusively..

NEW ORLEANS PUBLIC SERVICE PROPOSES ACCOUNTING ADJUSTMENT

New Orleans Public Service Inc., New Orleans, La., has applied to the SEC for an order authorizing it to transfer \$710,264.89 from earned surplus account to the capital surplus account; the Commission has issued an order (Release 35-13864) giving interested persons until December 1, 1958, to request a hearing thereon.

According to the application, the company's earned surplus at September 30, 1958, amounted

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\$11,645,342. To convert a portion of such earned surplus into a more permanent form of capital, proposes to transfer from earned surplus to capital surplus, as at December 31, 1958, the sum of \$11,645,342 per share of its outstanding common stock, or an aggregate of \$710,264.89.

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Lexington Funds, Inc., New York, New York investment company, filed an amendment on November 1, 1958 to its registration statement (File 2-12178) seeking registration of an additional 350,000 shares of Lexington Venture Fund.

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Lexington Funds, Inc., New York, N. Y., investment company filed an amendment on November 1, 1958 to its registration statement (File 2-13276) seeking registration of an additional 5,100,000 shares of Lexington Accumulation Plans with and without insurance protection.

CUTTER LABORATORIES PROPOSES STOCK OFFERING

Cutter Laboratories, Fourth and Parker Streets, Berkeley, Calif., today filed a registration statement (File 2-14540) with the SEC seeking registration of 150,000 shares of its Class A Common Stock, to be offered for public sale through an underwriting group headed by Blyth & Co., Inc. The public offering price and underwriting terms are to be supplied by amendment.

Of the net proceeds of the sale of the stock \$900,000 will be used to pay current bank borrowings (incurred to supplement working capital). The remainder will be added to the general funds of the company, to be used for corporate purposes as the management may determine.

WYOMING CORP. FILES FOR OFFERING

The Wyoming Corporation, 319 E. "A" St., Casper, Wyoming, today filed a registration statement (File 2-14541) with the SEC seeking registration of 1,449,307 shares of its Common Stock. Of these shares 1,199,307 are subject to partially completed subscriptions. The additional 250,000 shares are to be offered initially to shareholders of record as of November 1, 1958, in the ratio of one share for each 2.33 shares held of record. Shares have been subscribed for at prices of \$2.00, \$3.33 and \$4 per share. Estimated proceeds of \$3,720,079 are based upon the aggregate subscription price on the partially completed subscriptions of which the company has received \$1,409,826 and will receive \$1,310,253 if all such subscriptions are completed. Shares offered under this offering that are not subject to prior subscription agreements and/or shares underlying subscription agreements that are reoffered because of termination of subscription contracts will be offered at \$4 per share. The underwriting commission is 80¢.

Wyoming Corp. was organized in April 1957 as a holding company which through subsidiaries could engage in the life insurance, mortgage, fire insurance, title insurance, development and other business. A life insurance company, a mortgage company and a development company have been organized as wholly-owned subsidiaries; and directly or indirectly all the outstanding stock of two additional life insurance companies has been acquired. These companies include the Great Plains Life Insurance Company of Wyoming, the Great Plains Development Company, and the National Health and Life Insurance Company. Net proceeds of the sale of its securities will be used, among other things, as follows: \$800,000 for payments on contract to purchase shares of International Fidelity Insurance Company; \$25,000 for capitalization of a fire insurance company; \$500,000 for capitalization of a title insurance company; \$500,000 for additional capital contribution to Great Plains Development Company; and \$300,000 as an additional capital contribution to Great Plains Mortgage Company.

The prospectus lists Raymond E. Dillman as board chairman and Edwain J. Zoble as president. Directors and officers own 640,000 shares (78.2%) of the outstanding stock. Present and former officers, directors, organizers and members of the advisory board have options to acquire 817,597 shares any time prior to July 16, 1962, at an exercise price of \$2 per share.

The prospectus states that L. B. Hartgrove, although he has no interest in the company and no connection with it, may be the beneficial owner of all or part of the shares of the Wyoming

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Underwriting Company, all of which shares were listed of record in the name of his son, B. R. Hartgrove, since the death of L. J. Barber, original president of Wyoming Underwriting Company. The latter realized aggregate gross commissions in the amount of \$800,246 on the prior sale of the Wyoming Corp. securities, had an option to acquire 225,000 additional shares at \$2 per share, and had a counseling agreement pursuant to which it would receive from Wyoming Corp. 5% of the gross income of that company and its subsidiaries. Wyoming Corp. recently purchased from B. R. Hartgrove for \$75,000 all of the outstanding shares of Wyoming Underwriting Company which is now a wholly owned subsidiary. The assets of the latter consisted primarily of the underwriting contract and counseling agreement. Wyoming Corp. contemporaneously loaned \$40,000 to Wyoming Underwriting to purchase from B. R. Hartgrove 20,000 shares of Wyoming Corp. common stock. The payment of \$75,000 to B. R. Hartgrove can be regarded, according to the prospectus, as a payment made in effect for the primary purpose of releasing the company of any obligation under the underwriting contract and counseling agreement.

As of August 31, 1958, the company had realized \$2,677,976 from the sale of its securities of which it had paid \$827,225 (approximately 30.8%) as commissions and other distribution costs. Assuming the completion of this offering, it will realize an additional \$2,310,253 in gross proceeds and will pay commissions and expenses of some \$239,536, or approximately 10%. In the event all the outstanding options are exercised, and in the event all the shares offered for public sale are sold, there will be outstanding a total of 2,824,915 shares of which the present and former officers directors, organizers and members of the advisory group will own 887,997 shares or 31.4% of the outstanding shares for which they will have paid \$1,775,994 in cash and members of the public will own 1,936,918 shares or 68.6% of the outstanding shares for which they will have paid \$4,938,023 in cash, or the equivalent.

CAROLINA TELEPHONE PROPOSES STOCK OFFERING

Carolina Telephone and Telegraph Company, 122 East St. James St., Tarboro, North Carolina today filed a registration statement (File 2-14542) with the SEC seeking registration of 58,773 shares of its Common Capital Stock. These shares are to be offered for subscription at \$125 per share to stockholders of record December 4, 1958, in the ratio of one share for each five shares then held. No underwriting is involved.

Southern Bell Telephone and Telegraph Company, which owns 65,952 (22.6%) of the outstanding shares of Carolina Telephone common, has advised the company that it intends to sell, as a whole, the 65,952 rights which it will receive to purchase additional Carolina Telephone shares (five rights being required to subscribe for one new share), such sale to be made at competitive bidding.

Net proceeds of the stock sale will be applied by Carolina Telephone toward reduction of amounts owed by the company on short-term bank notes, which notes on October 31, 1958, were \$8,305,000. These notes evidence borrowings for general corporate purposes, including property additions and improvements.

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